100TH CONGRESS
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Part 5

ANTI-APARTHEID ACT AMENDMENTS OF 1988

AUGUST 3, 1988.—Ordered to be printed

Mr. ROSTENKOWSKI, from the Committee on Ways and Means, submitted the following

REPORT

together with

DISSENTING VIEWS

[To accompany H.R. 1580 which on March 12, 1987, was referred jointly to the Committee on Foreign Affairs, the Committee on Ways and Means, the Committee on Armed Services, the Committee on Banking, Finance and Urban Affairs, the Committee on Public Works and Transportation, and the Permanent Select Committee on Intelligence]

[Including cost estimate of the Congressional Budget Office]

The Committee on Ways and Means, to whom was referred the bill (H.R. 1580) to prohibit investments in, and certain other activities with respect to, South Africa, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment strikes out all after the enacting clause of the bill and inserts a new text which appears in italic type in the reported bill.

BACKGROUND AND PURPOSE

On October 2, 1986, President Reagan signed into law the Comprehensive Anti-Apartheid Act of 1986 (Public Law 99-440), which was subsequently amended by Public Law 99-631. That Act signalled Congressional desire to place the United States firmly on record as opposing the South African system of apartheid and to back up that opposition with U.S. sanctions. Since that time, a poor record has been built with respect to actions both by the Reagan Administration and by the Government of South Africa to end the

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system of apartheid. The President's report to Congress on progress made by the Government of South Africa during the year following enactment of the Comprehensive Anti-Apartheid Act states in part:

> I regret that I am unable to report significant progress leading to the end of apartheid and the establishment of a nonracial democracy in South Africa. Indeed the following review of events in South Africa since October 1986, provides very little hope for optimism in the immediate future.

The report went on to describe a deteriorating situation in South Africa, characterized by a toughened State of Emergency decree; tighter restrictions on the press; increased expulsions of foreign journalists; and a vast increase in the number of political prisoners detained by the government, including the detention of large numbers of children. No progress was reported in freedom of speech or political participation; no timetable had been set for the elimination of remaining apartheid laws; and South African military and paramilitary activities against neighboring states had intensified. In sum, as noted in the report, "The cycle of violence and counter-violence between the South African Government and its opponents has, if anything, gotten worse."

The response by the Reagan Administration to this bleak assessment has been to resist steps called for in the Anti-Apartheid Act designed to increase pressure on South Africa to dismantle the system of apartheid. For example, section 401 of the Act encourages the President to convene an international conference of other industrialized democracies in order to reach agreement to impose multilateral sanctions on South Africa. The President has never sought to convene such a conference. The President also was encouraged in that section to instruct the U.S. representative to the United Nations to propose the adoption of U.N. sanctions against South Africa. Instead, the U.S. representative vetoed two such proposals offered in the Security Council in 1987 and 1988. Another section authorizes the President to limit imports from countries taking commercial advantage of U.S. sanctions. To date, however, the administration has not promulgated rules to implement this provision of law. Finally, the President is required annually to recommend additional sanctions which should be imposed against South Africa if he determines that that government has not made significant progress in ending the system of apartheid and establishing a nonracial democracy. Instead, the President has declined to recommend additional sanctions, despite making such a determination.

The purpose of H.R. 1580, as amended, is to broaden U.S. sanctions against South Africa and to mandate that the President make greater efforts multilaterally to encourage the other industrialized democracies to impose sanctions against South Africa.

SUMMARY

The amendments to H.R. 1580, as ordered reported by the Committee on Ways and Means, amend the Comprehensive Anti-Apartheid Act of 1986, as amended (Public Law 99-440 and Public Law

99-631), by broadening the existing import ban to inlcude all products of South Africa. The Committee amendments retain an exemption for imports of certain strategic minerals and publications and add an exemption for imports from businesses in South Africa that are wholly owned by persons economically or politically disadvantaged by apartheid.

The bill, as amended, also strengthens provisions of existing law calling for multilateral efforts to end apartheid and establish a nonracial democracy in South Africa. It requires the President to negotiate with other industrialized democracies to reach agreements to impose sanctions by those countries against South Africa. The bill requires the President to impose penalties—in the form of a limitation on imports or U.S. Government contracting—against foreign persons in other industrialized democracties if they take significant commercial advantage of U.S. sanctions. He may waive the application of these third party penalties for persons of any country that reaches an agreement to impose sanctions similar to our own. However, he must revoke any waiver if the foreign government does not adequately enforce its sanctions.

Another provision in the bill, as amended, requires referral of joint resolutions of approval or disapproval to the Committee on Ways and Means, in addition to the Committee on Foreign Affairs, when they contain import-related provisions. Other provisions require the President to report by a date certain on a program to reduce U.S. dependence on imports of strategic minerals from South Africa; and to submit a report every 30 days on imports of coal or strategic and critical materials from member countries (or observer countries) of the Council for Mutual Economic Assistance (CMEA)—better known as Warsaw Pact countries. The latter provision also strikes the President's authority to terminate sanctions against South Africa if he determines those sanctions would increase U.S. dependence on imports from CMEA countries.

Committee Action

H.R. 1580 was introduced on March 12, 1987, by Congressman Ronald V. Dellums for himself and others. The bill was referred jointly to the Committee on Ways and Means and five other committees and on March 17, 1987, was referred to the Subcommittee on Trade.

The Subcommittee on Trade held one day of public hearings on the bill. On June 9, 1988, the Subcommittee received testimony from two Members of Congress, including Mr. Charles B. Rangel of the Committee on Ways and Means, who spoke in favor of its adoption. Administration witnesses spoke against passage of the bill, while a panel of five private sector witnesses spoke both for and against the bill. The Subcommittee also received numerous written statements from representatives of the private sector, expressing both support for and opposition to the bill.

On July 7, the Subcommittee on Trade met to mark up those provisions of H.R. 1580 within the jurisdiction of the Committee on Ways and Means. The Subcommittee also considered amendments to H.R. 1580 made by other committees which are within the jurisdiction of the Committee on Ways and Means. Chairman Gibbons

offered a substitute amendment to those provisions of H.R. 1580 within the Committee's jurisdiction, which was agreed to by voice vote. The bill as amended then was ordered favorably reported to the full Committee by voice vote.

On July 27, the Committee on Ways and Means considered H.R. 1580, as amended, and without objection ordered the bill favorably reported with an amendment in the nature of a substitute.

COMPARISON WITH PRESENT LAW, SECTION-BY-SECTION ANALYSIS, AND JUSTIFICATION

SECTION 1.—SHORT TITLE; REFERENCES; TABLE OF CONTENTS

Section 1 provides that this Act may be cited as the "Anti-Apartheid Act Amendments of 1988." It further provides that references in this Act to "the Act" are to Comprehensive Anti-Apartheid Act of 1986. It also sets forth a table of contents.

Title II—Sanctions Against South Africa Imports in the United States

SECTION 201.—PROHIBITION ON IMPORTS INTO THE UNTIED STATES FROM SOUTH AFRICA

Present law

Sections 301, 302, 303, 309, 319, 320, and 323 of the Anti-Apartheid Act impose a ban on the importation of the following products from South Africa: Krugerrands; military articles, products from parastatal organizations; uranium, coal, and textiles; agricultural products and food; iron and steel; and sugar. Section 303 exempts imports of strategic minerals if the President certifies that they are not available from reliable or secure suppliers in quantities which are essential for the economy or defense of the United States. It also exempts publications.

Section 510 prohibits the importation of Soviet gold coins.

Explanation of Provision

Effective 180 days after enactment, section 201 broadens the existing import ban to include all products of South Africa, specifically including: (1) uranium hexaflouride made from South African uranium or uranium oxide; and (2) fish or seafood: (a) purchased from a ship owned by a South African or of South African registry, (b) purchased from a South African, (c) processed in whole or part by a South African ship or person, or (d) stored in or shipped from South Africa.

Section 201 exempts imports of strategic minerals if the President certifies that: (1) quantities which are essential for the economy or defense of the United States are not available from alternative reliable suppliers; and (2) those needs cannot be met in a timely manner by improved manufacturing processes, conservation, recycling, and economical substitution.

It also exempts publications; and imports from South African businesses that are wholly owned by persons economically or politically disadvantaged by apartheid.

Justification

As the President's report to Congress notes, the situation in South Africa has deteriorated since 1986, and the Government of South Africa shows no signs of abandoning its policy of apartheid. By broadening U.S. import sanctions, section 201 is designed to increase the economic pressure on the Government of South Africa and on businesses benefitting from apartheid and thereby increase the costs to them of adherence to a repugnant system of racial separation. It specifically includes in the import ban two products which have been allowed to enter the United States both as a result of the Administration's interpretation of the Act's prohibition (with respect to uranium) and existing country of origin regulations (with respect to seafood).

Section 201 retains an exemption for imports of strategic minerals essential for the economy or defense of the United States but places a new emphasis on the importance of assessing whether or not those minerals could be obtained from domestic sources through improved manufacturing processes or other means. It also retains an exemption for imports of publications. Finally, section 201 exempts from the import ban products of South African businesses that are wholly owned by persons economically or politically disadvantaged by apartheid. This exemption is aimed at easing the impact of U.S. sanctions on those South Africans whom the bill is intended to help—specifically, the victims of apartheid. It is not intended to be a loophole to be exploited by businesses in South Africa which have not borne the brunt of the government's policy of apartheid.

SECTION 202.—MULTILATERAL IMPORT MEASURES TO DISMANTLE APARTHEID

Present law

Section 401 authorizes the President to confer with other industrialized democracies to reach agreements to impose sanctions aimed at the complete dismantling of apartheid. During this period, the President, or at his direction the Secretary of State, was called upon to convene an international conference for the purpose of negotiating such agreements. Agreements were to be concluded within 180 days of enactment and are subject to Congressional approval.

The President also was required to submit within 180 days of enactment a report on U.S. efforts to negotiate multilateral sanctions agreements and a detailed description of economic and other measures adopted by other industrialized democracies. The President is authorized to modify any of the sanctions in Title III to conform to any agreements reached.

Finally, section 401 expressed the sense of Congress that the President should instruct the U.S. representative to the United Nations to propose U.N. sanctions against South Africa of the same type as those imposed under U.S. law.

Section 402 authorizes, but does not require, the President to limit imports of goods or services from any foreign country that benefits from, or otherwise takes commercial advantage of, any sanction or prohibition imposed by or under the Act.

Explanation of Provision

Section 202 *requires* the President, or at his direction the Secretary of State (in consultation with the U.S. Trade Representative) to confer with other industrialized democracies in order to reach agreements to impose sanctions against South Africa to bring about the complete dismantling of apartheid. It requires the President to report within 180 days on progress being made in the negotiations and to assess whether sufficient progress has been made to warrant the continuation of negotiations for an additional 180 days.

Section 202 mandates that the President instruct the U.S. representative to the United Nations to press for U.N. imposition of sanctions against South Africa.

Section 202 provides further that to the extent that a foreign person takes significant commercial advantage of any U.S. sanction, the President must impose one or both of the following penalties against the foreign person: (1) limit U.S. imports of goods or services from that person, or (2) restrict U.S. Government contracting with the foreign person. If the President imposes an import penalty, he is required, to the extent possible, to reduce U.S. imports from the foreign person in an amount equal to the extent to which that person took commercial advantage of U.S. sanctions. This provision takes effect 180 days after enactment, unless the President reports that sufficient progress is being made in negotiations to warrant additional negotiations. In that case, the provision takes effect 360 days after enactment. The President may waive the application of this provision to persons of countries reaching agreement to impose sanctions of their own. However, he must revoke that waiver if he finds that the foreign country is not adequately enforceing its sanctions. Finally, for purposes of this section, the European Community is treated as a single industrialized democracy.

Finally, section 202 (in conjunction with section 105) provides that the President must submit an annual report outlining in detail: (1) the trade and economic relationships of other countries with South Africa; (2) the adequacy of enforcement of sanctions, if any, imposed by other industrialized democracies; and (3) the reasons for each waiver and revocation made under this section.

SECTION 203.—REFERRAL IN THE HOUSE OF JOINT RESOLUTIONS PERTAINING TO IMPORT RESTRICTIONS

Present law

Various sections of present law require Congressional action to approve or disapprove actions taken by the President under the Act.

Section 311(b) authorizes the President to suspend or modify U.S. sanctions, including import sanctions, if he determines that South Africa has met certain specified conditions provided for in section 311(a), relating to South Africa's moves toward elimination of apartheid and establishment of a nonracial democracy. Such suspension or modification shall take effect unless the Congress enacts within 30 days a joint resolution disapproving the President's determination.

Section 401(d) provides that any agreement reached with industrialized countries to impose sanctions against South Africa shall take effect only if Congress enacts a joint resolution of approval within 30 days of the President's submission to Congress of the agreement and supporting documentation.

Section 501(d) provides that a joint resolution is required to enact all or part of the additional measures to be imposed on South Africa, including import sanctions, which must be recommended by the President, if he determines that significant progress has not been made by the Government of South Africa in ending the system of apartheid and establishing a nonracial democracy.

In all these cases, the joint resolution is to be referred upon introduction to the Committee on Foreign Affairs.

Explanation of Provision

Section 203 provides that if a joint resolution: under section 311(b) suspends or modifies any import sanction; under section 401(d) approves an agreement encompassing an import restriction; and under section 501(d) enacts any additional import restriction, then the joint resolution shall be referred jointly to the Committees on Ways and Means and Foreign Affairs.

Justification

To the extent that Congress must approve or disapprove any action taken by the President with respect to U.S. imports or action affecting U.S. trade relations with other industrialized democracies, the committee of jurisdiction should have the opportunity to consider such action.

SECTION 204.—REPORT ON PROGRAM TO REDUCE DEPENDENCE UPON IMPORTATION OF STRATGEGIC MINERALS FROM SOUTH AFRICA

Present law

Section 504 requires a one-time report on U.S. dependence on imports of certain strategic minerals from South Africa. It also requires the President to develop a program to reduce U.S. dependence on such imports.

Explanation of Provision

Section 204 requires the President to report by April 1, 1989, on the program developed to reduce U.S. dependence on strategic mineral imports from South Africa.

Justification

The President has not yet—nearly two years after enactment of present law—completed work on a program to reduce U.S. dependence on imports of strategic minerals from South Africa. This provision establishes a date certain by which the President must develop and report on such a program.

SECTION 205.—REPORTS ON UNITED STATES IMPORTS FROM MEMBER STATES OF THE COUNCIL FOR MUTUAL ECONOMIC ASSISTANCE

Present law

Section 502 requires a report every 30 days on imports of coal or strategic and critical materials from each member country or observer country of the Council for Mutual Economic Assistance (CMEA), commonly known as the Warsaw Pact. It also authorizes the President to lift any sanction against South Africa if he determines the sanction would increase U.S. dependence on imports of coal or strategic and critical materials from CMEA countries.

Explanation of Provision

Section 205 makes minor changes to the reporting requirement. It also strikes the President's authority to lift any sanction against South Africa if he finds that the sanction would increase U.S. dependence on imports of coal or strategic and critical materials from CMEA countries.

Justification

Strategic minerals essential for the economy or defense of the United States already are exempt from the import ban imposed under this Act. It is strategic minerals which pose among the greatest concerns in the context of U.S. reliance on imports from CMEA countries; for some of those minerals, CMEA countries are the most likely source other than South Africa. Because of this exemption, the Committee believes that the President does not need in this section separate authority, which is not subject to Congressional review or disapproval, to terminate sanctions against South Africa. Moreoever, in the event that the 30-day reports required under this section reveal a growing U.S. dependence on imports of coal or strategic materials from CMEA countries (other than those exempted by this Act), the Congress itself may take appropriate action, including amendment of sanctions against South Africa, to alter that situation.

SECTION 206.—PREVENTING CIRCUMVENTION OF UNITED STATES IMPORT RESTRICTIONS

Present law

No provision.

Explanation of Provision

Section 206 requires the President or his designee, within 180 days of enactment and thereafter as appropriate, to confer with the governments of the African "frontline" states on measures to prevent the circumvention by South Africa of U.S. import restrictions on the products of South Africa.

Justification

Since enactment of the Comprehensive Anti-Apartheid Act, South Africa reportedly has engaged in efforts designed to circumvent U.S. import restrictions. This provision requires the President to explore possible means of ending any country of origin mislabell-

ing or other such measures employed by South Africa to circumvent U.S. sanctions.

Vote of the Committee in Reporting the Bill

In compliance with clause (2)(l)(2)(B) of rule XI of the Rules of the House of Representatives, the following statement is made relative to the vote of the Committee in reporting the bill: H.R. 1580 was ordered favorably reported without objection by the Committee on Ways and Means with an amendment in the nature of a substitute.

Oversight Findings

In compliance with clause 2(l)(3)(A) of rule XI of the Rules of the House of Representatives, the Committee concludes, on the basis of hearings by the Subcommittee on Trade, discussions among members, and review of recent developments in South Africa as they relate to apartheid, that additional legislation is necessary to increase pressure on the Government of South Africa to dismantle the system of apartheid.

With respect to clause 2(l)(3)(D) of rule XI of the Rules of the House of Representatives, no oversight findings or recommendations have been submitted to the Committee by the Committee on Government Operations with respect to the subject matter contained in the bill.

Budget Effects and Cost Estimates, Including Estimates of the Congressional Budget Office

In compliance with clause (2)(l)(3) of rule XI of the Rules of the House of Representatives, the following statements are made with respect to committee action on the bill.

With respect to subdivision (B) of clause 2(l)(3) the Committee states that:

(A) There is no new entitlement authority and thus comparisons to the Committee's 302(b) allocation are non-applicable;

(B) There is no new spending authority as described in section 401(c)(2) of the Congressional Budget and Impoundment Control Act of 1974 as amended;

(C) The report includes Congressional Budget Office projections of budget authority, budget outlays and revenues for fiscal year 1989 and the four ensuing years; and

(D) The estimate by the Congressional Budget Office includes a discussion of the expected change in the level of assistance to state and local governments.

In compliance with clause 7(a) of rule XIII and with clause 2(l)(3)(B) and (C) of rule XI of the Rules of the House of Representatives, the Committee states that it agrees with the information furnished by the Congressional Budget Office on H.R. 1580, as reported, which is provided below:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 1, 1988.

Hon. DAN ROSTENKOWSKI,
Chairman, Committee on Ways and Means,
U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate on H.R. 1580, Anti-Apartheid Act Amendments of 1988, as ordered reported by the House Committee on Ways and Means on July 27, 1988.

Should the Committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

JAMES L. BLUM,
Acting Director.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 1580.
2. Bill title: Anti-Apartheid Act Amendments of 1988.
3. Bill status: As ordered reported by the House Committee on Ways and Means on July 27, 1988.
4. Bill purpose: The bill amends the Comprehensive Anti-Apartheid Act of 1986. Section 102 of the bill would prohibit the Secretary of the Interior from issuing new mineral leases to any foreign company with a United States subsidiary if that company exports petroleum products to, or holds investments in South Africa.

Sections 101 and 201 impose a trade embargo on most imports and exports between the United States and South Africa. Section 101 also prohibits any United States person, including corporations, from holding any investment in South Africa.

Other sections of the bill establish a coordinator of South Africa sanctions within the State Department, and otherwise amend existing law in ways that are not expected to have a budget impact.

5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1989	1990	1991	1992	1993
Section 102	(1)	(1)	(1)	(1)	(1)
Section 201—Net revenue effect	−5	−11	−12	−13	−14

[1] Possible outlay increase of up to $100 million annually (see below).

Costs for section 102 fall within budget functions 300 and 950.

Basis for estimates: This estimate assumes enactment of this legislation by October 1, 1988. Provisions of the bill affecting investments and trade become effective 180 days after the enactment date of the bill, and would mostly affect businesses and capital investors. Except as discussed below, they would not affect federal, state, or local governments.

Section 102

Section 102 would prohibit the Secretary of the Interior from issuing a lease, either offshore on the Outer Continental Shelf (OCS)

or onshore, to any entity that is controlled by a foreign person who has investments in or exports petroleum to South Africa. In practice, Section 102 would require any Shell, Total, or SOHIO companies to certify that they or their parent companies have no holdings in South Africa before their bids for leases may be accepted.

The potential budget impact of Section 102 stems from the fact that over the 1986–1988 period, these affected companies, especially Shell and its bidding partners, have accounted for at least 25 percent of the total amount of bonus bids paid to the Minerals Management Service for OCS leases. To the extent that Shell and the other companies decide to forgo their investments in South Africa in exchange for continuing to bid on leases, then Section 102 would have no effect on federal receipts.

Section 102 however, would affect federal receipts if Shell and the other companies were barred from bidding because they refused to divest. In bidding for leases, the company that offers the most money is awarded the lease. Over the last five years, the amounts paid by Shell and its bidding partners have exceeded the amounts offered by the next highest bidder by 5 percent to 15 percent of the total amount received in each sale. For example, in 1987 companies bid a total of $418 million for leases. Of this amount, Shell companies bid $91 million, of which $53 million, or 13 percent of the annual total, was money paid in excess of the next highest bidder's offer.

If shell were barred from bidding, but other companies stepped in to bid at the levels Shell would have paid, then there would be no loss of receipts. However, it is unlikely that other companies' bids would rise as a result of decreased competition. Based on the experience of recent years, the government would then lose between 5 percent and 15 percent of the total amount that would have been received for each sale had Shell been allowed to bid. Because CBO's baseline assumes the receipt of $700 million annually in OCS bonus bids, Section 102 potentially could result in the loss of between $35 million and $100 million annually in OCS receipts.

Onshore receipts are much smaller and the effects of this bill on such receipts would be negligible.

Section 201

Section 201 amends section 302 of the Anti-Apartheid Act by prohibiting the importation of most South African products. Customs duties are currently collected on many South African imports, therefore this prohibition would result in decreased revenues to the federal government. The estimate assumes certain strategic minerals would no longer be imported from South Africa, although the President would have the authority to exclude them from the embargo. Based on information from the International Trade Commission, the estimated revenue loss would total $5 million in fiscal year 1989, and increase to $14 million by fiscal year 1993. If imports from other countries are substituted for banned products from South Africa, the revenue loss could be reduced.

Some costs to the federal government could occur if South Africa retaliates and bans the sale of strategic minerals that are difficult to find elsewhere. However these specific costs cannot be estimated.

6. Estimated cost to State and local governments: State and local pension funds may be affected by the investment provision in section 101 if their pension funds hold stocks in companies which currently operate in South Africa. Under Section 101, these companies must disinvest their holdings in South Africa. If disinvestment by the companies causes the value of their stock to drop, the value of pension funds will also fall. This may require added contributions to the pension funds by the state and local governments.

7. Estimate comparison: None.

8. Previous CBO estimate: CBO has prepared three previous cost estimates for H.R. 1580: one on May 17, 1988 for the bill ordered reported by the House Committee on Foreign Affairs; one on June 8, 1988 for the bill ordered reported by the House Committee on Banking, Finance, and Urban Affairs; and another on June 20 for the bill ordered reported by the House Committee on Armed Services.

Most sections of H.R. 1580 as ordered reported by the Committee on Ways and Means are similar to corresponding sections in the bills ordered reported by the Committee on Foreign Affairs and the Committee on Banking, Finance, and Urban Affairs. The Banking Committee bill, however, contains a provision banning imports from third countries having components or parts originating in South Africa. CBO could not estimate the budget impact of this provision. Otherwise the cost of the three bills is the same.

The bill reported by the Committee on Armed Services was largely unchanged from H.R. 1580 as originally introduced into the House. Although some sections, such as the provision affecting imports, are similar in both the Armed Services and Ways and Means bills, most other sections of the two bills are different. The Ways and Means bill contains a provision potentially lowering receipts from mineral lease sales. This provision was not included in the Armed Services bill.

9. Estimate prepared by: Kent Christensen, James Hearn, and Marianne Page.

10. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

Inflationary Impact Statement

With respect to clause 2(l)(4) of rule XI of the Rules of the House of Representatives, the Committee states that H.R. 1580, as amended, would have a negligible inflationary impact on prices and costs in the operation of the general economy, based on analyses provided to the Committee by the Congressional Budget Office.

Changes in Existing Law Made by the Bill, as Reported

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

COMPREHENSIVE ANTI-APARTHEID ACT OF 1986

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DEFINITIONS

SEC. 3. As used in this Act—

(1) The term "Code of Conduct" refers to the Principles set forth in section 208(a);

(2) the term "controlled South African entity" means—

(A) a corporation, partnership, or other business association or entity organized in South Africa and owned or controlled, directly or indirectly, by a national of the United States; or

(B) a branch, office, agency, or sole proprietorship in South Africa of a national of the United States;

[(3) the term "loan"—

[(A) means any transfer or extension of funds or credit on the basis of an obligation to repay, or any assumption or guarantee of the obligation of another to repay an extension of funds or credit including—

[(i) overdrafts,

[(ii) currency swaps,

[(iii) the purchase of debt or equity securities issued by the Government of South Africa or a South African entity on or after the date of enactment of this Act,

[(iv) the purchase of a loan made by another person,

[(v) the sale of financial assets subject to an agreement to repurchase, and

[(vi) a renewal or refinancing whereby funds or credits are transferred or extended to the Government of South Africa or a South African entity, and

[(B) does not include—

[(i) normal short-term trade financing, as by letters of credit or similar trade credits;

[(ii) sales on open account in cases where such sales are normal business practice; or

[(iii) rescheduling of existing loans, if no new funds or credits are thereby extended to a South African entity or the Government of South Africa;

[(4) the term "new investment"—

[(A) means—

[(i) a commitment or contribution of funds or other assets, and

[(ii) a loan or other extension of credit, and

[(B) does not include—

[(i) the reinvestment of profits generated by a controlled South African entity into that same controlled South African entity or the investment of such profits in a South African entity;

[(ii) contributions of money or other assets where such contributions are necessary to enable a controlled South African entity to operate in an economically sound manner, without expanding its operations; or

[(iii) the ownership or control of a share or interest in a South African entity or a controlled South African entity or a debt or equity security issued by the Government of South Africa or a South African entity before the date of enactment of this Act, or the transfer or acquistion of such a share, interest, or debt or equity security, if any such transfer or acquisition does not result in a payment, contribution of funds or assets, or credit to a South African entity, a controlled South African entity, or the Government of South Africa;]

(3) the term "loan"—

(A) means any transfer or extension of funds or credit on the basis of an obligation to repay, or any assumption or guarantee of the obligation of another to repay an extension of funds or credit, including—

(i) overdrafts;

(ii) currency swaps;

(iii) the purchase of debt or equity securities issued by the Government of South Africa or a South African entity on or after the date of enactment of this Act;

(iv) the purchase of a loan made by another person;

(v) the sale of financial assets subject to an agreement to repurchase;

(vi) a renewal or refinancing whereby funds or credits are transferred or extended to the Government of South Africa or a South African entity;

(vii) short-term trade financing, as by letters of credit or similar trade credits;

(viii) sales on open account in cases where such sales are normal business practice; and

(ix) rescheduling of existing loans; and

(B) does not include, a loan for which an agreement was entered into before April 20, 1988, so long as such a loan is maintained under the terms in effect on such date.

(4) the term "investment in South Africa" means—

(A) a commitment of funds or other assets (in order to earn a financial return) to a South African entity, including—

(i) a loan or other extension of credit made to a South African entity, or security given for the debts of an entity;

(ii) the beneficial ownership or control of a share or interest in a South African entity, or of a bond or other debt instrument issued by such an entity; or

(iii) capital contributions in money or other assets to a South African entity; or

(B) the control of a South African entity in cases in which subparagraph (A) does not apply.

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(8) the term "South African national" means—

(A) a citizen of South Africa; and

(B) any partnership, corporation, or other business association which is organized under the laws of South Africa; [and]

(9) the term "United States" includes the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States[.];

(10) the terms "United States person" and "person subject to the jurisdiction of the United States" mean—

(A) any person, wherever located, who is a citizen or resident of the United States;

(B) any person actually within the United States;

(C) any corporation organized under the laws of the United States or of any State, territory, possession, or district of the United States; and

(D) any partnership, association, corporation, or other organization, wherever organized or doing business, that is owned or controlled by persons specified in subparagraphs (A), (B), or (C) of this paragraph;

(11) the terms "goods" and "technolgy" have the meanings given such terms by section 16 of the Export Administration Act of 1979;

(12) the term "goods subject to the jurisdiction of the United States" includes goods that are the direct product of technology of United States origin; and

(13) the term "foreign person"—

(A) means any person who is not a United States person or subject to the jurisdiction of the United States, and

(B) does not include any government or any agency or other entity or instrumentality thereof (including a government-sponsored agency) unless any such agency, entity, or instrumentality is a business enterprise.

* * * * * * *

TITLE I—POLICY OF THE UNITED STATES WITH RESPECT TO ENDING APARTHEID

POLICY TOWARD THE GOVERNMENT OF SOUTH AFRICA

SEC. 101. (a) United States policy toward the Government of South Africa shall be designed to bring about reforms in that system of government that will lead to the establishment of a nonracial democracy.

(b) The United States will work toward this goal by encouraging the Government of South Africa to—

(1) repeal the present state of emergency and respect the principle of equal justice under law for citizens of all races;

(2) release Nelson Mandela, Govan Mbeki, Walter Sisulu, black trade union leaders, and all political prisoners;

(3) permit the free exercise by South Africans of all races of the right to form political parties, express political opinions, and otherwise participate in the political process;

(4) establish a timetable for the elimination of apartheid laws;

(5) negotiate with representatives of all racial groups in South Africa the future political system in South Africa; [and]

(6) end military and paramilitary activities aimed at neighboring states [.]; *and*

(7) end South Africa's illegal occupation of Namibia and implement United Nations Resolution 435 which calls for the establishment of an independent Namibia.

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TITLE II—MEASURES TO ASSIST VICTIMS OF APARTHEID

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[PARTICIPATION OF SOUTH AFRICA IN AGRICULTURAL EXPORT CREDIT AND PROMOTION PROGRAMS

[SEC. 212. Notwithstanding any other provision of this Act or any other provision of law, the Secretary of Agriculture may permit South Africa to participate in agricultural export credit and promotion programs conducted by the Secretary at similar levels, and under similar terms and conditions, as are participated in by other countries that have traditionally purchased United States agricultural commodities and the products thereof.]

TITLE III—MEASURES BY THE UNITED STATES TO UNDERMINE APARTHEID

[PROHIBITION ON THE INFORMATION OF KRUGERRANDS

[SEC. 301. No person, including a bank, may import into the United States any South African krugerrand or any other gold coin minted in South Africa or offered for sale by the Government of South Africa.

[PROHIBITION ON THE IMPORTATION OF MILITARY ARTICLES

[SEC. 302. No arms, ammunition, or military vehicles produced in South Africa or any manufacturing data for such articles may be imported into the United States.

[PROHIBITION ON THE IMPORTATION OF PRODUCTS FROM PARASTATAL ORGANIZATIONS

[SEC. 303. (a) Notwithstanding any other provision of law, no article which is grown, produced, manufactured by, marketed, or otherwise exported by a parastatal organization of South Africa may be imported into the United States, (1) except for agricultural products during the 12-month period from the date of enactment; and (2) except for those strategic minerals for which the President has certified to the Congress that the quantities essential for the economy or defense of the United States are unavailable from reliable and secure suppliers and except for any article to be imported pursuant to a contract entered into before August 15, 1986: *Provided,* That no shipments may be received by a national of the United States under such contract after April 1, 1987.

[(b) For purposes of this section, the term "parastatal organization" means a corporation, partnership, or entity owned, controlled, or subsidized by the Government of South Africa, but does not mean a corporation, partnership, or entity which previously received start-up assistance from the South African Industrial Development Corporation but which is now privately owned.

[(c) Nothing in this section prohibits the importation into the United States of any publication, including any book, newspaper, magazine, film, phonograph record, tape recording, photograph, microfilm, microfiche, poster, or any other similar material.

[PROHIBITION ON COMPUTER EXPORTS TO SOUTH AFRICA

[SEC. 304. (a) No computers, computer software, or goods or technology intended to manufacture or service computers may be exported to or for use by any of the following entities of the Government of South Africa:

[(1) The military.

[(2) The police.

[(3) The prison system.

[(4) The national security agencies.

[(5) ARMSCOR and its subsidiaries or the weapons research activities of the Council for Scientific and Industrial Research.

[(6) The administering authorities for controlling the movements of the victims of apartheid.

[(7) Any apartheid enforcing agency.

[(8) Any local, regional, or homelands government entity which performs any function of any entity described in paragraphs (1) through (7).

[(b)(1) Computers, computer software, and goods or technology intended to service computers may be exported, directly or indirectly, to or for use by an entity of the government of South Africa other than those set forth in subsection (a) only if a system of end use verification is in effect to ensure that the computers involved will not be used for any function of any entity set forth in subsection (a).

[(2) The Secretary of Commerce may prescribe such rules and regulations as may be necessary to carry out this section.]

PROHIBITION ON INVESTMENT IN SOUTH AFRICA

SEC. 301. A United States person may not purchase, acquire, own, or hold any investment in South Africa.

PROHIBITION ON IMPORTS INTO THE UNITED STATES FROM SOUTH AFRICA

SEC. 302. (a) No article which is grown, produced, extracted, or manufactured in South Africa may be imported into the United States.

(b) The prohibition of subsection (a) shall not apply to the importation of—

(1) any strategic mineral (including any ferroalloy thereof) with respect to which the President certifies to the Congress that the quantities of such mineral which are essential for the economy or defense of the United States are not available from alternative reliable suppliers and that such needs cannot be met in a timely manner by improved manufacturing processes, conservation, recycling, and economical substitution; and

(2) publications.

(c) The prohibition under subsection (a) shall not apply to imports from business enterprises in South Africa that are wholly-owned by persons economically or politically disadvantaged by apartheid.

(d) The prohibition under subsection (a) includes—

(1) uranium hexafluoride that has been manufactured from South African uranium or uranium oxide; and

(2) fish or seafood—

(A) purchased from a ship owned by a South African or of South African registry,

(B) purchased from a South African,

(C) processed in whole or part by a South African ship or person, or

(D) stored in or shipped from South Africa.

PROHIBITION OF EXPORTS TO SOUTH AFRICA FROM THE UNITED STATES

SEC. 303. (a) No goods or technology subject to the jurisdiction of the United States may be exported, or re-exported, to South Africa. No goods or technology may be exported, or re-exported, to South Africa by any person subject to the jurisdiction of the United States.

(b) The prohibitions under subsection (a) shall not apply to—

(1) publications;

(2) donations of articles intended to relieve human suffering, such as food, clothing, and medicine, and medical supplies intended strictly for medical purposes; and

(3) commercial sales of agricultural commodities and products.

(c) The prohibitions under subsection (a) shall not apply to any goods that are the direct product of technology of United States origin under a written agreement entered into on or before April 20, 1988, and that are exported prior to the date which is one year after the date of the enactment of the Anti-Apartheid Act Amendments of 1988.

(d) The prohibitions under subsection (a) shall not apply to—

(1) economic assistance or human rights programs for disadvantaged South Africans, South African blacks or other nonwhite South Africans, or victims of apartheid in South Africa pursuant to the Foreign Assistance Act of 1961, the Export-Import Bank Act of 1945, or any other provision of law authorizing economic or human rights assistance programs; and

(2) contributions to charitable organizations engaged in social welfare, public health, religious, educational, and emergency relief activities in South Africa.

RESTRICTIONS REGARDING INVOLVEMENT IN THE SOUTH AFRICAN ENERGY SECTOR

SEC. 304. (a) A United States person may not, directly or through an affiliate, provide transport to South Africa of a commercial quantity of crude oil or refined petroleum products. The prohibition under this subsection includes transport on a vessel of United States registry and transport on a vessel owned, directly or indirectly, by a United States person.

(b)(1) The Secretary of the Interior may not issue any lease pursuant to the Mineral Leasing Act of 1920, the Mineral Leasing Act for Acquired Lands, the Outer Continental Shelf Lands Act, or the Geothermal Steam Act of 1970 to any national of the United States which is controlled by, or under common control with, any foreign person who—

(A) purchases, acquires, owns, or holds any investment in South Africa; or

(B) exports to South Africa, directly or indirectly, any crude oil or refined petroleum products.

(2) Prior to issuing any lease referred to in paragraph (1), the Secretary of the Interior shall require an applicant for such a lease to certify that the applicant is not subject to the provisions of paragraph (1).

* * * * * * *

[PROHIBITIONS ON NUCLEAR TRADE WITH SOUTH AFRICA

[SEC. 307. (a) Notwithstanding any other provision of law—

[(1) the Nuclear Regulatory Commission shall not issue any license for the export to South Africa of production or utilization facilities, any source of special nuclear material or sensitive nuclear technology, or any component parts, items, or substances which the Commission has determined, pursuant to

section 109b of the Atomic Energy Act, to be especially relevant from the standpoint of export control because of their significance for nuclear explosive purposes;

[(2) the Secretary of Commerce shall not issue any license for the export to South Africa of any goods or technology which have been determined, pursuant to section 309(c) of the Nuclear Non-Proliferation Act of 1978, to be of significance for nuclear explosive purposes for use in, or judged by the President to be likely to be diverted to, a South African production or utilization facility;

[(3) the Secretary of Energy shall not, under section 57b(2) of the Atomic Energy Act, authorize any person to engage, directly or indirectly, in the production of special nuclear material in South Africa; and

[(4) no goods, technology, source or special nuclear material, facilities, components, items, or substances referred to in clauses (1) through (3) shall be approved by the Nuclear Regulatory Commission or an executive branch agency for retransfer to South Africa.

unless the Secretary of State determines and certifies to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that the Government of South Africa is a party to the Treaty on the Non-Proliferation of Nuclear Weapons, done at Washington, London, and Moscow on July 1, 1968, or otherwise maintains International Atomic Energy Agency safeguards on all its peaceful nuclear activities, as defined in the Nuclear Non-Proliferation Act of 1978.

[(b) Nothing in this section shall preclude—

[(1) any export, retransfer, or activity generally licensed or generally authorized by the Nuclear Regulatory Commission or the Department of Commerce or the Department of Energy; or

[(2) assistance for the purpose of developing or applying International Atomic Energy Agency or United States bilateral safeguards, for International Atomic Energy Agency programs generally available to its member states, for reducing the use of highly enriched uranium in research or test reactors or for other technical programs for the purpose of reducing proliferation risks, such as programs to extend the life of reactor fuel and activities envisaged by section 223 of the Nuclear Waste Policy Act of 1982 or which are necessary for humanitarian reasons to protect the public health and safety.

[(c) The prohibitions contained in subsection (a) shall not apply with respect to a particular export, retransfer, or activity, or a group of exports, retransfers, or activities, if the President determines that to apply the prohibitions would be seriously prejudicial to the achievement of United States nonproliferation objectives or would otherwise jeopardize the common defense and security of the United States and, if at least 60 days before the initial export, retransfer, or activity is carried out, the President submits to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth that determination, together with his reasons therefor.]

PROHIBITION ON NUCLEAR ASSISTANCE TO SOUTH AFRICA

Sec. 307. Notwithstanding any other provision of law, the Secretary of Energy shall not, under section 57 b. (2) the Atomic Energy Act of 1954, authorize any person to engage, directly or indirectly, in the production of special nuclear material in South Africa.

* * * * * * *

[PROHIBITION ON IMPORTATION OF URANIUM, COAL, AND TEXTILES FROM SOUTH AFRICA

[SEC. 309. (a) Notwithstanding any other provision of law, no—

[(1) uranium ore,

[(2) uranium oxide,

[(3) coal, or

[(4) textiles, that are produced or manufactured in South Africa may be imported into the United States.

[(b) For purposes of this section, the term "textiles" does not include any article provided for in item 812.10 or 813.10 of the Tariff Schedules of the United States.

[(c) This section shall take effect 90 days after the date of enactment of this Act.]

PROHIBITION ON UNITED STATES INTELLIGENCE AND MILITARY COOPERATION WITH SOUTH AFRICA

SEC. 309. (a) No agency or entity of the United States involved in intelligence activities may engage in any form of cooperation, direct or indirect, with the Government of South Africa (specifically including the authorities administering Namibia so long as Namibia is illegally occupied). The cooperation prohibited by this subsection specifically includes any activity relating to the collection of intelligence, including the exchange of intelligence either directly or through a third country.

(b) No agency or entity of the United States may engage in any form of cooperation, direct or indirect, with the armed forces of the Government of South Africa.

(c) Funds authorized to be appropriated or otherwise made available by the Congress (including funds specified in a classified schedule of authorization or appropriations) may not be obligated or expended by any agency or entity of the United States for any expenses related to any cooperation prohibited by this section.

(d) Consistent with the objectives of this section, the President should not—

(1) assign or detail any member of the United States Armed Forces to serve as, or otherwise perform the functions of, a defense (or military) attache in South Africa; or

(2) accredit any individual to serve as, or otherwise perform the functions of, a defense (or military) attache at a South African diplomatic mission in the United States.

[PROHIBITION ON NEW INVESTMENT IN SOUTH AFRICA

[SEC. 310. (a) No national of the United States may, directly or through another person, make any new investment in South Africa.

[(b) The prohibition contained in subsection (a) shall take effect 45 days after the date of enactement of this Act.

[(c) The prohibition contained in this section shall not apply to a firm owned by black South Africans.]

TERMINATION OF CERTAIN PROVISIONS

SEC. 311. (a) This title and sections *402(a),* 501(c) and 504(b) shall terminate if the Government of South Africa—

(1) releases all persons persecuted for their political beliefs or detained unduly without trial and Nelson Mandela from prison;

(2) repeals the state of emergency in effect on the date of enactment of this Act and releases all detainees held under such state of emergency;

(3) unbans democratic political parties and permits the free exercise by South Africans of all races of the right to form political parties, express political opinions, and otherwise participate in the political process;

(4) repeals the Group Areas Act and the Population Registration Act and institutes no other measures with the same purposes; [and]

(5) agrees to enter into good faith negotiations with truly representative members of the black majority without preconditions[.]; *and*

(6) ends the illegal occupation of Namibia and implements United Nations Resolution 435 which calls for the independence of Namibia.

(b) The President may suspend or modify any of the measures required by this title or section *402(a),* 501(c) or section 504(b) thirty days after he determines, and so reports to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, that the Government of South Africa has—

(1) taken the action described in paragraph (1) of subsection (a),

[(2) taken three of the four actions listed in paragraphs (2) through (5) of subsection (a), and]

(2) taken four of the five actions listed in paragraphs (2) through (6) of subsection (a), and

(3) made substantial progress toward dismantling the system of apartheid and establishing a nonracial democracy,

unless the Congress enacts within such 30-day period, in accordance with section 602 of this Act, a joint resolution disapproving the determination of the President under this subsection.

* * * * * * *

[PROHIBITION ON EXPORT OF ITEMS ON THE UNITED STATES MUNITIONS LIST

[SEC. 317. (a) Except as provided in subsection (b), no item contained on the United States Munitions List which is subject to the jurisdiction of the United States may be exported to South Africa.

[(b) Subsection (a) does not apply to any item which is not covered by the United Nations Security Council Resolution 418 of No-

vember 4, 1977, and which the President determines is exported solely for commercial purposes and not exported for use by the armed forces, police, or other security forces of South Africa or for other military use.

[(c) The President shall prepare and submit to Congress every six months a report describing any license issued pursuant to subsection (b).

[NOTIFICATION OF CERTAIN PROPOSED UNITED STATES MUNITIONS LIST EXPORTS

[SEC. 318. (a) Notwithstanding any other provision of this Act, the President shall—

[(1) notify the Congress of his intent to allow the export to South Africa of any item which is on the United States Munitions List and which is not covered by the United Nations Security Council Resolution 418 of November 4, 1977, and

[(2) certify that such item shall be used solely for commercial purposes and not exported for use by the armed forces, police, or other security forces of South Africa or for other military use.

[(b)(1) No item described in subsection (a) may be exported if the Congress, within 30 days of continuous session after a certification is made under subsection (a)(2), enacts, in accordance with section 602 of this Act, a joint resolution disapproving such export.

[(2) For purposes of paragraph (1), the term "continuous session" is used within the meaning of section 906(b) of title 5, United States Code.

[PROHIBITION ON IMPORTATION OF SOUTH AFRICAN AGRICULTURAL PRODUCTS AND FOOD

[SEC. 319. Notwithstanding any other provision of law, no—

[(1) agricultural commodity or product or any byproduct or derivative thereof, or

[(2) article that is suitable for human consumption, that is a product of South Africa may be imported into the United States after the date of enactment of this Act.

[PROHIBITION ON IMPORTATION OF IRON AND STEEL

[SEC. 320. Notwithstanding any other provision of law, no iron or steel produced, or iron ore extracted, in South Africa may be imported into the United States, except that any such commodity may be imported pursuant to a contract entered into before August 15, 1986, if no shipment of such commodity is imported by a national of the United States under such contract after December 31, 1986.

[PROHIBITION ON EXPORTS OF CRUDE OIL AND PETROLEUM PRODUCTS

[SEC. 321. (a) No crude oil or refined petroleum product which is subject to the jurisdiction of the United States may be exported to South Africa, and no crude oil or refined petroleum product may be exported to South Africa by a person subject to the jurisdiction of the United States.

[(b) Subsection (a) does not apply to any export pursuant to a contract entered into before the date of enactment of this Act, if no shipment of such export is made under such contract after December 31, 1986.

[PROHIBITION ON COOPERATION WITH THE ARMED FORCES OF SOUTH AFRICA

[SEC. 322. No agency or entity of the United States may engage in any form of cooperation, direct or indirect, with the armed forces of the Government of South Africa, except for activities which are reasonably designed to facilitate the collection of necessary intelligence. Each such activity shall be considered a significant anticipated intelligence activity for purposes of section 501 of the National Security Act of 1947.

[PROHIBITION ON SUGAR IMPORTS

[SEC. 323. (a)(1) Notwithstanding any other provision of law, no sugars, sirups, or molasses that are products of the Republic of South Africa may be imported into the United States after the date of enactment of this Act.

[(2) The aggregate quantity of sugars, sirups, and molasses that—

[(A) are products of the Philippines, and

[(B) may be imported into the United States (determined without regard to this paragraph) under any limitation imposed by law on the quantity of all sugars, sirups, and molasses that may be imported into the United States during any period of time occurring after the date of enactment of this Act,

shall be increased by the aggregate quantity of sugars, sirups, and molasses that are products of the Republic of South Africa which may have been imported into the United States under such limitation during such period if this section did not apply to such period.

[(b)(1) Paragraph (c)(i) of headnote 3 of subpart A of part 10 of schedule 1 of the Tariff Schedules of the United States is amended—

[(A) by striking out "13.5" in the item relating to the Philippines in the table and inserting in lieu thereof "15.8", and

[(B) by striking out the item relating to the Republic of South Africa in the table.

[(2) Paragraph (c) of headnote 3 of subpart A of part 10 of schedule 1 of the Tariff Schedules of the United States is amended by adding at the end thereof the following new subparagraphs:

["(iii) Notwithstanding any authority given to the United States Trade Representative under paragraphs (e) and (g) of this headnote—

["(A) the percentage allocation made to the Philippines under this paragraph may not be reduced, and

["(B) no allocation may be made to the Republic of South Africa,

in allocating any limitation imposed under any paragraph of this headnote on the quantity of sugars, sirups, and molasses described in items 155.20 and 155.30 which may be entered.".]

TITLE IV—MULTILATERAL MEASURES TO UNDERMINE APARTHEID

NEGOTIATING AUTHORITY

SEC. 401. (a) It is the policy of the United States to seek international cooperative agreements with the other industrialized democracies to bring about the complete dismantling of apartheid. Sanctions imposed under such agreements should be both direct and official executive or legislative acts of governments. The net economic effect of such cooperative agreements should be measurably greater than the net economic effect of the measures imposed by this Act.

[(b)(1) Negotiations to reach international cooperative agreements with the other industrialized democracies of South Africa on measures to bring about the complete dismantling of apartheid should begin promptly and should be concluded not later than 180 days from the enactment of this Act. During this period, the President or, at this direction, the Secretary of State should convene an international conference of the other industrialized democracies in order to reach cooperative agreements to impose sanctions against South Africa to bring about the complete dismantling of apartheid.

[(2) The President shall, not less than 180 days after the date of enactment of this Act, submit to the Congress a report containing—

[(A) a description of United States efforts to negotiate multilateral measures to bring about the complete dismantling of apartheid; and

[(B) a detailed description of economic and other measures adopted by the other industrialized countries to bring about the complete dismantling of apartheid, including an assessment of the stringency with which such measures are enforced by those countries.]

(b)(1) The President, or at his direction, the Secretary of State (in consultation with the United States Trade Representative), shall, consistent with the policy under subsection (a), confer with the other industrialized democracies in order to reach cooperative agreements to impose sanctions against South Africa to bring about the complete dismantling of apartheid.

(2) Before the 180th day after the date of the enactment of the Anti-Apartheid Act Amendments of 1988, the President shall submit a report to the Congress containing—

(A) a description of United States efforts under paragraph (1) to implement multilateral measures to bring about the complete dismantling of apartheid; and

(B) his evaluation regarding whether the efforts described in subparagraph (A) have been successful enough to warrant a continuation of such efforts during the 180-day period beginning on the 181st day after the date of the enactment of such Amendments of 1988.

* * * * * * *

(e) [It is the sense of the Congress that the President should] *The President shall* instruct the Permanent Representative of the United States to the United Nations to propose that the United

Nations Security Council, pursuant to Article 41 of the United Nations Charter, impose measures against South Africa of the same type as are imposed by this Act.

[LIMITATION ON IMPORTS FROM OTHER COUNTRIES

[SEC. 402. The President is authorized to limit the importation into the United States of any product or service of a foreign country to the extent to which such foreign country benefits from, or otherwise takes commercial advantage of, any sanction or prohibition imposed by or under this Act.]

LIMITATION ON IMPORTS FROM AND CONTRACTING WITH CERTAIN FOREIGN PERSONS

SEC. 402. (a)(1) Subject to subsection (b), effective on and after the 180th-day after the date of the enactment of the Anti-Apartheid Act Amendments of 1988 (or the 360th day after such date if the evaluation of the President under section 401(b)(2)(B) is affirmative), to the extent that a foreign person takes significant commercial advantage of any sanction or prohibition imposed by or under this Act, the President shall impose not less than one of the penalties under paragraph (2).

(2) The President may impose one or both of the following penalties under paragraph (1):

(A) Limit the importation into the United States of any product or service of the foreign person.

(B) Restrict the foreign person from contracting with departments, agencies, and instrumentalities of the United States Government.

(3) For purposes of applying this subsection—

(A) the European Community shall be treated as being a single industrialized democracy; and

(B) any limitation imposed under paragraph (2)(A) shall, to the extent possible, offset the value of the significant commercial advantage obtained by the foreign person.

(b)(1) The President may waive the application of subsection (a) with respect to foreign persons of an industrialized democracy that is party to an agreement that has entered into force with respect to the United States under section 401.

(2) The President shall revoke, for such time and subject to such conditions as he considers appropriate, a waiver made under paragraph (1) if the President finds that the industrialized democracy that is party to the agreement in force under section 401 is not adequately enforcing the measures provided for under the agreement.

(3) The annual report required under section 607(b)(4) shall include, with respect to the period covered by the report—

(A) an evaluation of the extent to which the import restrictions, if any, provided for under each agreement in force under section 401 are being enforced by the industrialized democracy concerned and the effect of such enforcement; and

(B) the reasons for each waiver and revocation made under paragraphs (1) and (2).

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TITLE V—FUTURE POLICY TOWARD SOUTH AFRICA

ADDITIONAL MEASURES

SEC. 501. (a) * * *

* * * * * * *

(c) If the President determines that significant progress has not been made by the Government of South Africa in ending the system of apartheid and establishing a nonracial democracy, the President shall include in the report required by subsection (b) a recommendation on which of the following additional measures *or other measures* should be imposed:

(1) a prohibition on military assistance to those countries that the report required by section 508 identifies as continuing to circumvent the international embargo on arms and military technology to South Africa;

[(2) a prohibition on the importation of diamonds from South Africa;]

[(3)] *(2)* a prohibition on United States banks accepting, receiving, or holding deposit accounts from South African nationals; and

[(4)] *(3)* a prohibition on the importation into the United States of strategic minerals from South Africa.

* * * * * * *

[LIFTING OF PROHIBITIONS

[SEC. 502. (a) Notwithstanding any other provision of this Act, the President may lift any prohibition contained in this Act imposed against South Africa if the President determines, after six months from the date of the imposition of such prohibition, and so reports to Congress, that such prohibition would increase United States dependence upon any member country or observer country of the Council for Mutual Economic Assistance (C.M.E.A.) for the importation of coal or any strategic and critical material by an amount which exceeds by weight the average amounts of such imports from such country during the period 1981 through 1985.

[(b)(1) Not later than 30 days after the date of enactment of this Act, the Secretary of Commerce shall prepare and transmit to the Congress a report setting forth for each country described in subsection (a)—

[(A) the average amount of such imports from such country during the period of 1981 through 1985; and

[(B) the current amount of such imports from such country entering the United States.

[(2) Thirty days after transmittal of the report required by paragraph (1), and every thirty days thereafter, the President shall prepare and transmit to the Congress a report containing the information described in paragraph (1)(B).]

REPORTS ON UNITED STATES IMPORTS FROM MEMBER STATES OF THE COUNCIL FOR MUTUAL ECONOMIC ASSISTANCE

SEC. 502. Beginning 30 days after the date of the enactment of the Anti-Apartheid Act Amendments of 1988, and every 30 days thereafter, the President, through the Secretary of Commerce, shall prepare and transmit to the Congress a report setting forth the average amounts of imports of coal or any strategic and critical material entering the United States from each member country and observer country of the Council for Mutual Economic Assistance (C.M.E.A.).

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REPORT ON SOUTH AFRICAN IMPORTS

SEC. 504. (a) Not later than 90 days after the date of enactment of this Act, the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report on the extent to which the United States is dependent on the importation from South Africa of—

(1) chromium,
(2) cobalt,
(3) manganese,
(4) paltinum group metals,
(5) ferroalloys, and
(6) other strategic and critical materials (within the meaning of the Strategic and Critical Materials Stock Piling Act).

(b) The President shall develop a program which reduces the dependence, if any, of the United States on the importation from South Africa of the materials identified in the report submitted under subsection (a). *Not later than April 1, 1989, the President shall submit to the Congress a report describing the program developed under this subsection.*

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TITLE VI—ENFORCEMENT AND ADMINISTRATIVE PROVISIONS

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CONGRESSIONAL PRIORITY PROCEDURES

SEC. 602. (a)(1) The provisions of this subsection apply to the consideration in the House of Representatives of a joint resolution under sections 311(b), [318(b),] 401(d), and 501(d).

[(2) A joint resolution shall, upon introduction, be referred to the Committee on Foreign Affairs of the House of Representatives.]

(2)(A) A joint resolution, other than a joint resolution referred to in subparagraph (B), shall, upon introduction, be referred to the Committee on Foreign Affairs of the House of Representatives.

(B) A joint resolution under —

(i) section 311(b), if the joint resolution suspends or modifies any import restriction in effect under title III, section 402(a), 501(c), or 504(b);

(ii) section 401(d), if the joint resolution approves an agreement encompassing any import restriction measure; or

(iii) section 501(d), if the joint resolution would enact any import restriction under section 501(c);

shall, upon introduction, be jointly referred to the Committee on Foreign Affairs and the Committee on Ways and Means of the House of Representatives.

* * * * * * *

(b)(1) The provisions of this subsection apply to the consideration in the Senate of a joint resolution under section 311(b), [318(b),] 401(d), of 501(d),

(2) A joint resolution shall, upon introduction, be referred to the Committee on Foreign Relations of the Senate.

(3) A joint resolution described in this section shall be considered in the Senate in accordance with the procedures contained in paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98–473), except that—

(A) references in such paragraphs to the Committee on Appropriations of the Senate shall be deemed to be references to the Committee on Foreign Relations of the Senate; and

(B) amendments to the joint resolution are in order.

(c) For purposes of this subsection, the term "joint resolution" means only—

(1) in the case of section 311(b), a joint resolution which is introduced in a House of Congress within 3 legislative days after the Congress receives the report described in section 311(b) and for which the matter after the resolving clause reads as follows: "That the Congress, having received on the report of the President containing the determination required by section 311(b) of the Comprehensive Anti-Apartheid Act of 1986, disapproves of such determination.", with the date of the receipt of the report inserted in the bank;

[(2) in the case of section 318(b), a joint resolution which is introduced in a House of Congress within 3 legislative days after the Congress receives a certification of the President pursuant to section 318(b) and for which the matter after the resolving clause reads as follows: "That the Congress, having received on a certification of the President under section 318(b)(2) of the Comprehensive Anti-Apartheid Act of 1986, approves the President's certification" with the date of the receipt of the certification inserted in the blank;]

[(3)] *(2)* in the case of section 401(d)(3), a joint resolution which is introduced in a House of Congress within 3 legislative days after the Congress receives the document described in section 401(d)(2) and for which the matter after the resolving clause reads as follows: "That the Congress, having received on the text of the international agreement described in section 401(d)(3) of the Comprehensive Anti-Apartheid Act of 1986, approves of such agreement.", with the date of the receipt of the text of the agreement inserted in the blank; and

[(4)] *(3)* in the case of section 501(d), a joint resolution which is introduced in a House of Congress within 3 legislative

days after the Congress receives the determination of the President pursuant to section 501(c) and for which the matter after the resolving clause reads as follows: "That the Congress, having received on a determination of the President under section 501(c) of the Comprehensive Anti-Apartheid Act of 1986, approves the President's determination.", with the date of the receipt of the determination inserted in the blank.

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ENFORCEMENT AND PENALTIES

SEC. 603. (a) * * *

(b) Except as provided in subsection (d)—

(1) any person that violates the provisions of this Act, or any regulation, license, or order issued to carry out this Act shall be subject to a civil penalty of $50,000;

(2)*(A)* any person, other than an individual, that willfully violates the provisions of this Act, or any regulation, license, or order issued to carry out this Act shall be fined not more than $1,000,000; *and*

(B) any person, other than an individual that knowingly violates the provisions of this Act, or any regulation, license, or order issued to carry out this Act shall be fined not more than $500,000; and

(3)*(A)* any individual who willfully violates the provisions of this Act or any regulation, license, or order issued to carry out this Act shall be fined not more than $50,000, or imprisoned not more than 10 years, or both; and

(B) any individual who knowingly violates the provisions of this Act, or any regulation, license, or order issued to carry out this Act shall be fined not more than $250,000, or imprisoned not more than 5 years, or both.

[(4) any individual who violates section 301(a) or any regulations issued to carry out that section shall, instead of the penalty set forth in paragraph (2), be fined ot ore than 5 times the value of the krugerrands or gold coins involved.]

(c)(1) Whenever a person commits a violation under subsection (b)—

(A) any officer, director, or employee of such person, or any natural person in control of such person who knowingly and willfully ordered, authorized, acquiesced in, or carried out the act or practice constituting the violation, and

(B) any agent of such person who knowingly and willfully carried out such act or practice, shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

[(2) Paragraph (1) shall not apply in the case of a violation by an individual of section 301(a) of this Act or of any regulation issued to carry out that section.]

[(3)] *(2)* A fine imposed under paragraph (1) on an individual for an act or practice constituting a violation may not be paid, directly or indirectly, by the person committing the violation itself.

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COORDINATOR OF SOUTH AFRICA SANCTIONS

SEC. 607. (a) There is established within the Department of State a coordinator of South Africa sanctions who shall be responsible to the Secretary of State for matters pertaining to the implementation of sanctions against South Africa, in accordance with the provisions of this subsection.

(b) The Secretary of State, through the coordinator of South Africa sanctions, shall—

(1) lead and coordinate all executive agency activities concerning monitoring of compliance with, and enforcement of, this Act;

(2) lead and coordinate monitoring by appropriate executive agencies of other countries' trade and financial flows with South Africa (including economic relations which may undermine the effects of United States sanctions);

(3) assist the Department of Commerce, the Department of the Treasury, and appropriate intelligence and other agencies in carrying out the functions of such agencies under paragraphs (1) and (2); and

(4) annually prepare and submit, on February 1 of each year after 1989, a compehensive report to the Congress which—

(A) describes specific actions taken during the preceding year by each affected executive agency to monitor compliance with, and enforce, provisions of this Act;

(B) describes the trade and financial flows (by commodity, activity, total volume, and value) during the preceding year between South Africa and each of its trading and financial partners, including economic relations which may be subject to penalties under section 402;

(C) includes the information required under section 402(b)(3);

(D) describes the resources utilized by the coordinator, the Department of State, and other executive agencies in carrying out their functions under this Act in the preceding year, including an evaluation of whether such resources were adequate; and

(E) provides any recommendations of the Secretary of State for improving the effectiveness of the coordinator.

(c) In carrying out the functions under subsection (b), the coordinator shall place particular emphasis on activities related to strategically important trade in oil, coal, computers, specialized machinery and arms, and to financial credits.

INTER-AGENCY COORDINATING COMMITTEE ON SOUTH AFRICA

SEC. 608. (a) There is established an Inter-Agency Coordinating Committee on South Africa. The Committee shall coordinate and monitor implementation of this Act.

(b) The committee shall be composed of—

(1) the Secretary of State,

(2) the Secretary of the Treasury,

(3) the Secretary of Defense,

(4) the Secretary of Commerce,

(5) the Secretary of Agriculture,

(6) the Attorney General,
(7) the United States Trade Representative, and
(8) such other heads of executive agencies with functions under this Act as the President considers appropriate.
The Secretary of State shall be the chairperson of the committee.

SECTION 535 OF THE FOREIGN ASSISTANCE ACT OF 1961

[SEC. 535. ECONOMIC SUPPORT FOR DISADVANTAGED SOUTH AFRICANS.—(a)(1) Up to $40,000,000, of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1987 and each fiscal year thereafter shall be available for assistance for disadvantaged South Africans. Assistance under this section shall be provided for activities that are consistent with the objective of a majority of South Africans for an end to the apartheid system and the establishment of a society based on non-racial principles. Such activities may include scholarships, assistance to promote the participation of disadvantaged South Africans in trade unions and private enterprise alternative education and community development programs.]

SEC. 535. ECONOMIC SUPPORT FOR DISADVANTAGED SOUTH AFRICANS.—(a)(1) Up to $40,000,000 of the funds authorized to be appropriated to carry put this chapter and any other economic development assistance activities under the Foreign Assistance Act of 1961, for the fiscal year 1989 and each fiscal year thereafter, shall be available for assistance for disadvantaged South Africans. Assistance under this section shall be provided for activities that are consistent with the objective of a majority of South Africans for an end to the apartheid system and the establishment of a society based on nonracial principles. Such activities may include scholarships, assistance to promote the participation of disadvantaged South Africans in trade unions and private enterprise, alternative education and community development programs, and training and other assistance (including legal aid in challenging government medical restrictions) for South African journalists.

(2) Up to $3,000,000 of the amounts provided in each fiscal year pursuant to subsection (a) shall be available for training [programs for South African's trade unionists.] *and other support programs (including legal assistance) for trade unions in South Africa and Namibia, including COSATU (Congress of South African Trade Unions) NACTU (National Council of Trade Unions), and NUNW (National Union of Namibian Workers), their affiliates, and other viable unions in order to develop a balanced assistance program which is representative of the trade union movement.*

(3)(A) Not less than $4,000,000 of the amounts provided for each fiscal year pursuant to this subsection shall be available for programs of refugee education and assistance for South Africans and Namibians.

(B)(i) Except as provided in clause (ii), funds provided pursuant to this paragraph—

(I) may not be used for assistance to individuals who are residing in areas under the control of or administered by the South West Africa People's Organization (hereinafter referred to

as "SWAPO") or the African National Congress (hereinafter referred to as "ANC"); and

(II) may not be administered through SWAPO, the ANC, or any other group or individual affiliated with SWAPO or the ANC.

(ii) The President may waive any limitation concerning the African National Congress (ANC) under clause (i) if the President determines that the ANC has provided assurances that it does not support any form of violence against individuals who are not members of the South African military or security services actually engaged in military or paramilitary operations against the ANC or other resistance organizations or if the President determines that it is in the national security interests of the United States.

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DISSENTING VIEWS OF HON. PHILIP M. CRANE

Mr. Chairman, I have been a longtime critic of apartheid because it limits the political and economic freedom of black South Africans. The United States must pursue a policy vis-a-vis South Africa which will help create the environment necessary to aid blacks in their quest for freedom. Many legislators argue that sanctions will serve this end by isolating the South African economy from the world community and thereby forcing the whites to share power. While these legislators are certainly interested in helping black South Africans, I am concerned that their support for sanctions is founded more on good intentions than well reasoned analysis. In opposition to the arguments of my colleagues, I agree with Zulu leader Mangosuthu Buthelezi's contention that sanctions undermine the growth of black economic and political power while making the white South African government even more recalcitrant.

It has been almost two years since Congress passed the Comprehensive Anti-Apartheid Act of 1986; yet the results have not lived up to the expectations of its supporters. Far from making the white minority more willing to negotiate, sanctions have given the most reactionary parties ammunition to argue that South Africa's security is threatened. In their view, the government must respond to this threat by curtailing any thought of allowing further liberalization.

The far right-wing parties have gained a significant number of seats in Parliament at the expense of the liberal Progressive Federal Party (PFP). Unfortunately, in my view, unrealistic and overzealous sanction efforts in the United States have contributed to the reemergence of the most radical elements in South African leadership and society. It is instructive to note that the current government is considered moderate within the South African political system. Should this government be defeated by its more reactionary opponents, black South Africans could well conclude that overthrowing the government is their only remaining alternative.

Sanctions also have increased the economic might of the white minority while undercutting the economic power of black South Africans. Since the imposition of sanctions, over one-half of all American firms have decided to sell their subsidiaries to white South Africans at fire-sale prices. The new owners have all too often responded by laying off blacks and abolishing the many progressive work rules, educational programs, and fair pay which blacks have come to expect from their American employers.

So far, United States trade sanctions have had their most profound impact on the coal and agriculture industries, both of which have experienced sharp fall-offs of exports and rising unemployment. An estimated 10,000 mine workers, mostly blacks, have been laid off since sanctions were imposed on coal imports. If sanctions

continue and are expanded as severely as this bill demands, it is a foregone conclusion that blacks in other sectors of the economy also will lose their jobs. Such a development would be particularly disturbing at a time when economists estimate that the South African economy will need to create 300,000 new jobs every year to absorb new black entrants into the job market. To achieve this goal and to prevent the existing unemployment rate for blacks from rising dramatically, South Africa will need to more than double the growth rate of its gross national product from 2 percent to 5 percent. Without foreign investment, South Africa cannot hope to increase its economic growth rate by even 1 percent.

I question the wisdom of diminishing the economic power of blacks when the recent history of South Africa has shown the clear correlation between increasing levels of economic growth and black freedom. As the economy has grown (most significantly during the 1970s), white owned firms have recognized that apartheid in the workplace constrains their ability to expand because of labor shortages in the traditional skilled, white community. White firms have thus promoted an ever increasing number of their black employees to white collar and supervisory positions, perhaps at first out of sheer economic need but then with a recognition of competence and ability by all given the opportunity. Opportunities cannot be developed and expanded if the United States sanctions policy is designed, as this bill is, to bring the South African economy to its knees.

The government has also responded to the pressure of an expanding economy by repealing apartheid in the workplace, legalizing black trade unions, abolishing the pass laws, and sanctioning interracial marriage. Some would argue that these are merely obstructionist reforms, designed to quell the anger of blacks without giving them any real political power. I would argue that these reforms represent significant advances, given the realities of South African politics, and should be encouraged and enabled to expand.

A number of my colleagues insist that the blacks in South Africa are willing to suffer the most severe deprivation in order to bring about an end to apartheid, and that sanctions are the only hope for success and freedom in the future. However, that is clearly not the case. Only one out of 14 polls taken over the past four years in South Africa has claimed that blacks favor sanctions. The remaining 13 conclude that black South Africans oppose sanctions by a margin of at least 3 to 1. Clearly, those in Congress who claim that blacks are willing to suffer the consequences of our sanctions or that blacks believe that progressively more severe sanctions by the United States and other countries is the optimum policy to pursue are either unaware of or blind to these facts and figures.

Furthermore, mandatory action against third countries that do business with South Africa, and that are deemed under this legislation to take "commercial advantage" of U.S. sanctions, is a disguised boycott provision with dangerous implications. This type of boycott would be opposed by the United States if other countries were to impose it against a county such as Israel. By its sponsors' own admission, we have no status under international law to impose such measures on other nations. Thus, we can expect retaliation against U.S. exports.

No one can predict, of course, who the third countries or the U.S. exporters will be. All that is clear is that the Congress' enthusiasm for an embargo against South Africa is not shared by the rest of the world and that our international credibility, both in the GATT and elsewhere, will suffer. U.S. law itself has strong anti-boycott provisions and we believe it is important for the United States to maintain a consistent policy internationally in this area.

As Members of Congress, it is clear that we are all in agreement in that the official policy of apartheid practiced in South Africa is appalling, and the United States should do everything in its power to see that it is dismantled. Unfortunately, we are not in accord on the most effective method to achieve our mutually desired goal. The solution proposed in this bill maximizes the destruction of the South African economy, which will increase black suffering and ultimately point toward civil war. A more effective method, which may take a little longer but will not lead to bloodshed, would be to increase the power of blacks economically, and eventually the government of South Africa will be forced to recognize them politically.

PHIL CRANE.

DISSENTING VIEWS OF HON. BILL FRENZEL

H.R. 1580, the Anti-Apartheid Act Amendment of 1988, is a political statement. To me it is not responsible legislation, nor is it the best way to help the Blacks in South Africa.

I find apartheid policies in any country repugnant. Despite my opposition to embargoes of all kinds, I voted for the last anti-apartheid bill. However, a bill as drastic as this one will cause significant injury to the blacks in South Africa and it does not offer much hope of changing apartheid.

H.R. 1580 is an attempt to isolate South Africa from the world economy and inflict the hoped-for damage that many believe will force massive reforms, or even a new majority government. But it is more likely to result in a total polarization of interests that could lead to a bloody revolution. It is difficult for me to see how blacks could profit from a revolution.

It is evident that the sanctions imposed by the Congress in 1986 have not been effective. They have slowed the South African economy to some extent, but the most significant effect has been to limit the number of jobs for young South African blacks. The government has not budged on its repressive policies.

The solution, in the opinion of many of the sponsors of H.R. 1580, has been to cut off nearly all trade with South Africa as well as to require total disinvestment by U.S. citizens. In my judgment, this will only further hurt black South Africans and cause the minority government to become more repressive.

Several surveys of South African blacks have shown that 60% would oppose sanctions if there is an affect on employment. I can understand the frustration of many of my colleagues who cannot think of other ways to achieve progress. I share that concern, but the answer is not to force disinvestment by U.S. companies, which have been in the forefront of living up to the Sullivan Principles. South African buyers of U.S. companies, obtained at bargain prices, are now selling at will to the police and the military and discriminating against blacks as well.

While the entire bill is significantly flawed, I will restrict my comments to the section of the bill considered by the Ways and Means Committee relating to an import ban and penalties on third countries which do not adopt our sanctions.

The bill exempts imports of certain strategic minerals that cannot be obtained from other countries, but it does not take into consideration other kinds of hardship situations. These are companies in the United States which rely on certain imports from South Africa and believe that alternatives do not exist domestically or from other countries. Exemptions were not even considered for those companies.

The Ways and Means and Foreign Affairs versions would exempt imports from black owned businesses or persons disadvantaged by

apartheid, but it is unlikely that the language would exempt everyone who refuses to adopt apartheid policies. I applaud the efforts of my colleague, Hank Brown, to remedy this situation.

The bill would also apply sanctions for the first time to Namibia, which is illegally occupied by the government of South Africa. There is no reason to punish the Namibians for a situation beyond their control. Efforts by Mr. Crane to exempt Namibia were ignored.

By far the worst feature of the bill is the multilateral sanctions imposed by the Committee on Ways and Means and Foreign Affairs. This language was not in the Dellums bill, where Presidential discretion to impose sanctions was retained as in current law.

For the first time, the United States would be forced to impose sanctions on any country which did not adopt its own equally severe sanctions against South Africa, or which refused to adhere to our own sanctions. The Foreign Affairs version would go so far as to impose penalties on third parties which violate sanctions of other countries, which presumably could be more extreme than our own. That's about the ultimate when it comes to extraterritorial application of U.S. law when we also grant ourselves authority to police laws of other nations.

The President would be forced to retaliate against countries which do not impose similar sanctions by either an import ban or a ban on government contracts in an amount equal to the "violation". While it is legitimate to impose sanctions of our own through a majority vote in the Congress, it is absurd to force other nations to accept our solution to the problem when they might have a better one, or if they choose not to interfere with a country's internal policies, no matter how repugnant they may be.

Imposition of third country penalties would not be consistent with our GATT agreement. In other words, those countries would retaliate against U.S. exports, thus causing further possible American job losses.

This is an extremely dangerous section of the bill that must be stricken if we have a sanctions bill.

I wish we could find a way to end the apartheid policies of the South African government. I wish this legislation would accomplish that. It won't. It will only injure many U.S. interests as well as the South African black majority.

If this bill is being used to send a strong message to the South African government, it has not accomplished that purpose. The problem with that kind of tactic is that bad bills that send messages can easily become law. I'm not sure that any of us are ready to suffer the consequences. Let's look for other ways to aid the black majority in South Africa.

BILL FRENZEL.

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